Just about all you need to know about Washington State trust lands in agriculture. November 2011



wo of our most successful direct seed farmers in the drier areas of eastern Washington are Jerald Sheffels and Bob **Bandy**—direct seed pioneers who have been successful at it for more than 15 years. They lease state trust lands in the Wilbur area, and are part of a growing number of lessees looking into this method of minimizing soil disturbance and erosion.

Washington State's Department of Natural Resources (DNR) has made a commitment to conservation on the state trust lands we manage. One conservation measure is to encourage our lessees to try direct seed farming by offering a 25 percent reduction in rent for a five-year period—just to try it. The direct seed incentive program was introduced in 2004, and to date, 48 lessees have entered the program. Most who tried direct seeding continue to use that

Welcome to the first issue of *The Dirt*, our quarterly publication about DNR agriculture land management activities, public lease auction info, and more.

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system, even after the 25 percent rent reduction incentive has ended.

Direct seeding system minimizes tilling the soil, which leaves most of the crop residue on the soil surface after the next crop is planted. Annual cropping is the most common rotation when using the direct seeding method, but when summer fallow is used in rotation, the land is chem-fallowed rather than tilled. Chem-fallow leaves most of the stubble from the previous crop on the soil surface through seeding of the next crop, virtually eliminating soil erosion that occurs when rain drenches exposed soil. Direct seeding reduces equipment costs, tractor and operator time, and greatly

lowers fuel bills.

Most direct seeders—such as **Gary Wollweber**—farm in the 12-inch-plus rainfall zones. Gary now is in his seventh year of direct seeding on his state lease near Edwall. This year he achieved a 50-bushel-per acre yield.

"The soil has become much mellower and soil erosion is almost non-existent," Wollweber says.

Change Comes Slowly

Despite the benefits of direct seeding, it is not universally accepted. It is estimated that less than 25 percent of farmers in the higher rainfall zones use direct seed. The percentage is much less in the intermediate zones. Change comes hard. DNR realizes that producers have to believe in direct seeding before they can be successful, and we will continue to encourage our lessees to try it.

Agriculture Land Lease Public Auctions

	NOVEMBER 2011								
	SUN	MON	TUES	WED	THURS	FRI	SAT		
			1	2	3	4	5		
	6	7	8	9	10	11	12		
	13	14	15	16	17	18	19		
	20	21	22	23	24	25	26		
	27	28	29	30					

DECEMBER 2011										
SUN	MON	TUES	WED	THURS	FRI	SAT				
				1	2	3				
4	5	6	7	8	9	10				
11	12	13	14	15	16	17				
18	19	20	21	22	23	24				
25	26	27	28	29	30	31				

November 29, 2011 Irrigated parcel Grant County

November 30, 2011 Irrigated parcel Franklin County

December 20, 2011 Irrigated parcel Benton County

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Westside Trust Portfolio In Agriculture

A small portion of state trust lands in agricultural production are located in Western Washington. The majority of these lands are in Clark, Cowlitz, Wahkiakum, and Skagit counties. The lands represent a diverse mix of grazing, habitat, and agricultural crop production uses—including grass, corn, hay, grain, raspberries, strawberries, potatoes, Christmas trees, and hybrid poplar.

In a move to improve the effectiveness of managing these lands, DNR consolidated management (hubbing), whereby one dedicated staff manages these assets across all the four of DNR's Westside Regions. The approach has vastly improved management consistency, crop diversification, resource protection measures, and income.

Over the past decades, DNR traded a portion of the agricultural lands portfolio for private timber lands as part of the agency goal to block-up our trust forest holdings for more effective management. In addition, many trust holdings in agriculture in Whatcom County were sold at public auction. The funding went in to a replacement property account to purchase replacement properties at a later time—to keep the trusts 'whole'.

As the department divested of the Westside agricultural portfolio over time, it continued the hubbing approach of having one dedicated staff position manage these diverse holdings along with those trust lands in commercial use, again enhancing management consistency, resource protection, and profitability for the trust beneficiaries.

Current agency-wide portfolio planning is considering the long-term direction of our Western Washington agricultural lands portfolio.

About Washington State's Trust Lands In Agriculture

Washington State continues to be a major contributor of agricultural goods to domestic and international markets, ranking 14th nationally. The 1.1 million acres of state trust lands are a sizeable participant in our state's agricultural economy. The Common School trust is the main beneficiary which helps fund construction on kindergarten through 12th grade public schools statewide. This funding does not come from taxes. We work with our lessee's to gain the highest economically feasible return for the lessees and trusts.

For more than 100 years, State Trust lands have been leased for agriculture and grazing by Washington's Office of the Commissioner of Public Lands, offering opportunities to private farmers and ranchers, orchardists, grape growers, row crop farmers, and more. We work with our



lessees to see that appropriate investments are made in the lands to ensure that ecologically sustainable agricultural systems are in place. The result is a balance of long-term capital investments, good stewardship, and prudent lease management that assures optimum income for current and future generations, while providing improved and sustainable habitat.

To accomplish our mission, DNR's 26 Agricultural Leasing staff manage more than 1,600 contracts which earn in excess of \$12 million per year.





Replacement Trust Lands Grow Fruits—Funds for Schools

n August of 2005, a
1,143-acre orchard
parcel in Benton County
was purchased for
the Common School
Trust for \$6.8 million.
The state school
trust lands are managed to
provide revenue to help build
public kindergarten through
high schools statewide. The
purchase was to replace trust
lands that had been auctioned
or transferred, and is done to
keep the trust 'whole.'

DNR's decision to purchase this property was based upon its location in the Paterson area, with a growing season of more than 180 days, productive soils, highway access, and irrigation water supplied through the South Slope Irrigation Association from the Columbia River. The parcel was offered for lease at public auction in fall 2006. The successful bidder was the Zirkle Fruit Company, which farms throughout the Columbia Basin from Wenatchee down to Paterson. Zirkle grows apples, blueberries, cherries, and pears, which are packed and sold through Rainier Fruit Company, along with wine grape acreage contracted with Ste Michelle Wine Estates.

In 2007, Zirkle Fruit planted more than 440 acres of the lease to 51 blocks of fruit. These plantings were focused on varieties they saw as having favorable retail markets. This parcel has been transformed from older apple varieties and densities to a mix of newer plantings of apples, blueberries, cherries, and wine grapes.

Some acreage has been planted to the Lady Alice apple, a proprietary variety controlled by Rainier Fruit Company. The Lady Alice



BENTON COUNTY

apple was discovered as a chance seedling in Washington State and is therefore a "Washington Original." The variety is expected to have favorable consumer response in the marketplace due to its distinctive taste, and its dense flesh is sweet with a hint of tartness.